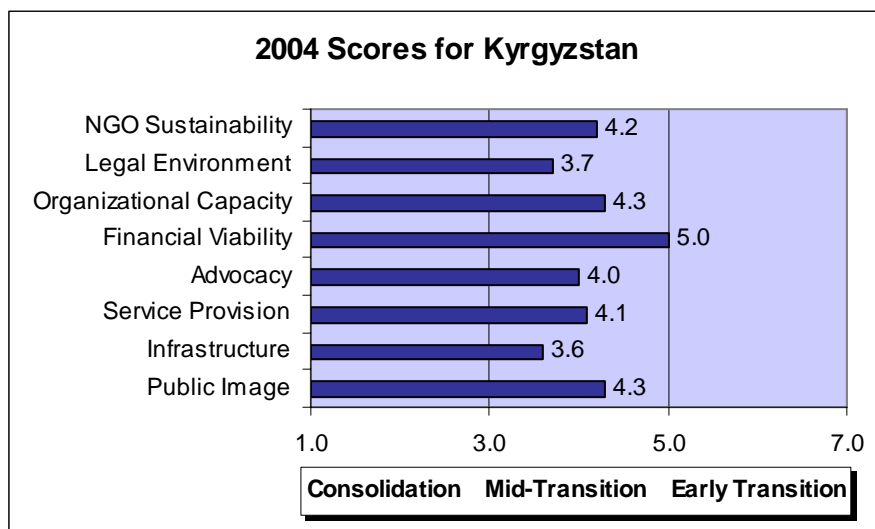
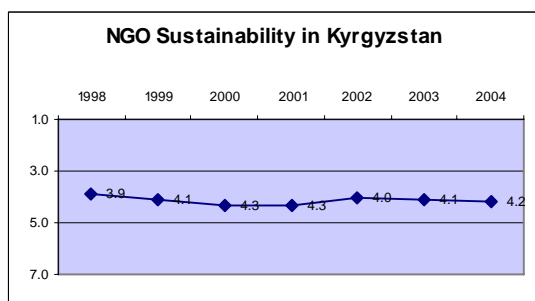

KYRGYZSTAN

**Capital:** Bishkek**Polity:** Republic**Population:**
5,100,000**GDP per capita
(PPP):** \$1,600**NGO SUSTAINABILITY: 4.2**

In Kyrgyzstan, the NGO sector continues to play an important role. In 2004, there were 8,000 registered organizations, 2,000 of which were active. NGOs still depend primarily on donor assistance to continue their operations, but are beginning to diversify by exploring other funding sources, such as charging fees for services.



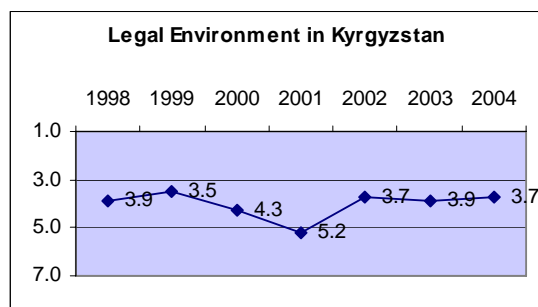
This year NGOs conducted voter education campaigns and monitored the October elections with little or no interference from government officials. This is in stark contrast to 2003, when authorities applied a great deal of pressure

and scrutiny to NGOs that were active in the politically charged constitutional referendum. NGOs continued to gain experience in conducting advocacy campaigns on issues such as NGO legislation and the right to public assembly.

The NGO sector continues to build new partnerships. In many areas, NGOs maintain good relations with local governments and even pursue joint projects. As donor resources diminish, competition between NGOs for funding has increased, though in some instances, cooperation between NGOs has increased as donors encourage organizations to conduct joint projects. In one example, donors that supported NGO activities during the local and parliamentary elections asked that organizations working in the same geographic areas develop projects together.

LEGAL ENVIRONMENT: 3.7

Though there was little legislative change in the past year, the legal environment became more permissive and supportive of NGO activities. The NGO registration process is still without significant problems and is free of charge. Once registered, organizations do not have any legal restrictions on their involvement in economic activities, although NGOs generally lack sufficient information about the different ways to generate income and compete for government contracts.



NGOs complain that local attorneys do not have great capacity or an adequate understanding of NGO law and issues. USAID began addressing the problem this year by training a cadre of lawyers providing legal services to NGOs and civil society activists in the network of Civil Society Support Centers. In addition, other NGO networks like the LARC Centers offer services, but for a fee. Even these services, however, are offered in oblast or rayon centers, and NGOs in

remote areas are not always able to take advantage them. Although harassment by government officials is not as bad as in previous years, organizations are still subject to unannounced visits by local law enforcement authorities, and some NGOs complain that tax inspectors make arbitrary demands for documents. Another persistent issue is that many NGOs only work in Kyrgyz, the local language, while the government sometimes requires them to submit legal documents in Russian.

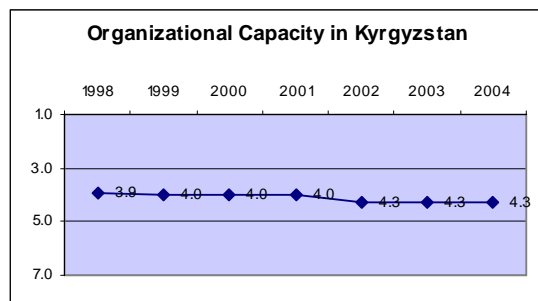
NGOs had feared that the 2003 amendments to the Constitution would create a stricter operational environment for NGOs; however, these fears have generally not materialized. On October 14, 2004, the Constitutional Court repealed three articles from the Kyrgyz Law on Public Meetings that created unconstitutionally complicated barriers to receiving government authorization for holding demonstrations. In addition, government authorities did not interfere with NGO activities concerning the October 2004 local elections. Organizations around the country conducted educational programs, and trained and mobilized hundreds of independent election observers, who were generally given good access to election day procedures.

ORGANIZATIONAL CAPACITY: 4.3

While a few of the larger NGOs located in urban areas have a strong organizational structures and internal management, most organizations are small and poorly staffed. Often, an NGO revolves around one or

two people that are fully committed to the organization's mission. In small towns and rural areas, many NGOs base operations out of their directors' homes

and list the directors' home phones as the organizations' contact numbers.

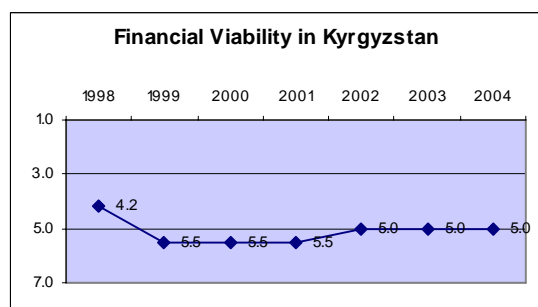


Many organizations do not understand the importance of strategic planning, and few outside the capital even have a strategic plan. While many organizations have boards of directors, these boards are rarely

used effectively. Few organizations understand the different roles that staff and board members play in the organization's structure, and individuals often confuse their responsibilities. Most NGOs do not have financial resources beyond what they receive through grant programs. Due to limited resources, it is rare that NGO staff receive regular salaries, making it difficult to attract young people to the NGO sector. More NGOs are, however, recruiting high school and university students to volunteer on projects.

FINANCIAL VIABILITY: 5.0

Generally, the financial condition of the NGO sector did not deteriorate over the past year, despite the slow Kyrgyz economy, which limits local philanthropy and other economic opportunities for the NGO sector. The relationship between the local business community and NGOs continues to be underdeveloped and donations are still rare.



While local governments, at times, provide assistance to NGOs for specific projects, few are able to take advantage of a law that permits the Ministry of Finance to provide community organizations, via

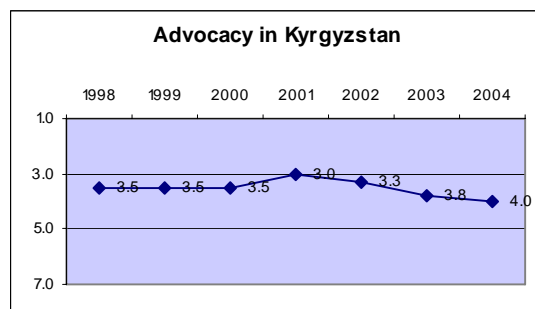
local governments, with grants to initiate projects. The procedure for accessing these funds from the Ministry of Finance is extremely bureaucratic, requiring requests to pass through every level of local and regional government before reaching the Ministry. Despite these obstacles, some organizations have succeeded in securing grants. Assistance from local governments is generally limited to non-monetary support such as space for an event. One exception is the town of Nookat, in Osh Oblast, where the local government sets aside funds to support local NGOs in the city's budget. At the national level, there are ongoing discussions concerning funding for the NGO sector. While these discussions are a sign of progress, the specific mechanisms to provide actual grants have yet to be developed.

Donors tend to provide support for specific initiatives rather than institutional development, which causes problems for many organizations. The lack of economic

opportunity presents greater obstacles for NGOs than lack of fundraising knowledge. Some NGOs have, however, succeeded, in developing economic activities. One organization in the Issyk-Kul region generates income by operating a small hotel. Other organizations earn income by

providing training for local government officials and consulting services for businesses. Some NGOs are taking steps to increase their transparency by making their financial records public and publicizing the results of their efforts.

ADVOCACY: 4.0



There were numerous advocacy campaigns conducted over the past year, some of which were successful. The Civil Society Resource Centers funded by USAID successfully lobbied against a draft law on community-based organizations that would have created unnecessary regulations for NGOs. A USAID grant also helped a local human rights organization successfully lobby for changes to the Law on Public Meetings, strengthening the right to assemble. At U.S. State Department-funded information centers around the

country, local groups organized campaigns to monitor government compliance with legislation on women's and children's issues as well as health and education policy.

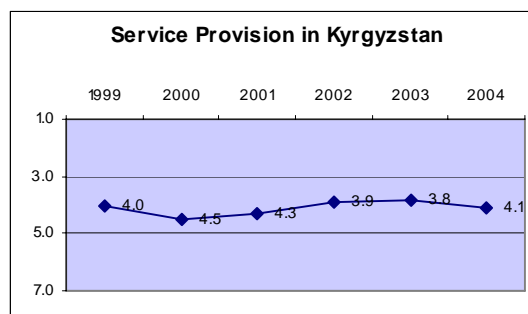
In many areas, NGOs work well with local authorities, although lobbying at the local level is often limited to participation in budget hearings. In Talas, the Oblast governor initiated a MOU between the government, NGOs, and local business community, expressing general agreement that the parties will cooperate on issues of joint interest whenever possible. Only a few strong NGOs with a national presence are able to launch independent nation-wide advocacy campaigns. Smaller organizations are not generally able to take on national campaigns on their own, and tend to join coalitions supported by the international NGOs.

SERVICE PROVISION: 4.1

While some NGOs have the capacity to provide consulting and training services for a fee, the Kyrgyz economy is not yet strong enough to provide many opportunities for NGOs to receive adequate compensation. In addition, NGOs often lack the knowledge and

capacity to create or tap into existing markets. A few of the well-established organizations provide training materials, reports, handbooks, and research for other organizations, political parties, and government ministries. Other well-established organizations provide training in their areas of expertise, including one

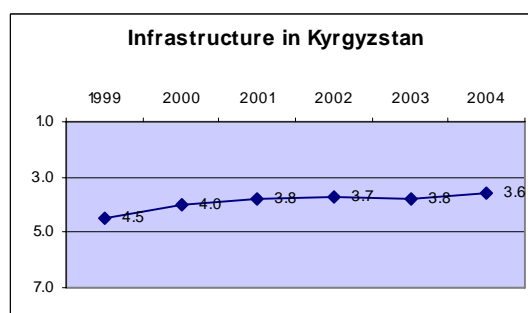
organization that provides training in domestic violence issues to law enforcement officials. An NGO in Naryn charged participants in a popular course a nominal fee, surprising others in the NGO community when the participants agreed to pay.



INFRASTRUCTURE: 3.6

NGOs in Kyrgyzstan enjoy access to numerous resource centers that offer training and other services, although many of the services are not offered in small towns and rural areas. The Civil Society Support Centers funded by USAID provide technical assistance, access to computers, information, and legal consultation for local NGOs. The NDI Information Centers for Democracy, funded by the U.S. State Department, offer infrastructural support for NGO activists by providing access to media resources, facilitating discussions, and providing meeting space. Other NGOs provide numerous training opportunities, including training of trainers programs that have led to a growing cadre of local trainers. Other donors fund resource centers that provide NGOs with internet access and computer training. Media resource centers in Bishkek, Osh and Karkol often host NGO press conferences. Most resource centers

tend to be located in oblast or rayon centers, while NGOs in small towns and rural areas still face difficulties with communications and access to information.



While decreased donor funding has limited the pool of available grants to individual organizations, NGOs are increasingly exploiting opportunities to forge partnerships with others in the sector and with local governments.

PUBLIC IMAGE: 4.3

Both the state-controlled and independent media continue to increase their coverage of NGO activities. However, state-

controlled media tends to be very critical of NGOs involved in human rights or pro-democracy activities, labeling them as

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radical opposition. Independent media sources, while more balanced in their coverage of NGOs, are more passive in seeking out information about NGO activities. One Russian-language newspaper engaged in what some in the NGO community saw as a negative campaign against NGOs. Most NGOs lack the sophistication and knowledge to counter such attacks and attract positive media attention or promote their organizational image.

A USAID funded poll found that public awareness of NGOs tends to be high in comparison with other Central Asian republics, although this does not necessarily

translate into a positive public image. Individuals who receive NGO services are more likely to have a positive image of NGOs, but these aid recipients are still in the minority, as most citizens are not interested in the NGO sector.

